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Message Text

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ACTION EUR-12

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TRSE-00 HA-05 ACDA-12 AID-05 NSCE-00 SSO-00
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O R 171540Z AUG 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC NIACT IMMEDIATE 3014
INFO AMEMBASSY ATHENS
AMEMBASSY BONN
AMEMBASSY NICOSIA
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMCONSUL ADANA
USDOCOSOUTH NAPLES
USCINCEUR
USDOCOLANDSOUTHEAST IZMIR
CINCUSAFE

C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 5935

E.O. 11652: GDS
TAGS: PEPR, ECON TU
SUBJ: EMBASSY COMMENT ON ECEVIT PRESS CONFERENCE

1. SUMMARY: ECEVIT USED HIS AUGUST 16 PRESS CONFERENCE TO LAY OUT AGENDA FOR THE NEW RELATIONSHIP WITH THE US, IN THE WAKE OF CONGRESSIONAL ACTION ON THE EMBARGO, THAT REFLECTS TURKEY'S CRITICAL ECONOMIC SITUATION. LIFTING THE EMBARGO HAS COME TOO LATE TO PROVIDE ECEVIT WITH THE POLITICAL BOOST THAT HE HAD HOPED FOR. IN THE MEANTIME TURKEY FACES SEVERE ECONOMIC PROBLEMS WHICH ECEVIT MAY BE UNABLE TO RESOLVE UNLESS HE CAN TURN IMF AROUND. IN GOING PUBLIC SO SHRILLY ON THE ECONOMIC ISSUE, HE IS BOTH TRYING TO GET THE ATTENTION OF FOREIGN GOVERNMENTS AND MANEUVERING TO PLACE BLAME ON FOREIGNERS SHOULD
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NEGOTIATIONS WITH THE IMF COLLAPSE. UNDER THESE CIRCUSMTANCES, ECEVIT MAY BE READY TO DRAG HIS FEET ON REOPENING US BASES AS LEVERAGE ON US TO HELP BAIL HIM OUT OF THE CURRENT ECONOMIC BIND. END SUMMARY.

2. IN HIS AUGUST 16 PRESS CONFERENCE, ECEVIT WAS IN A COMBATIVE MOOD. HE WAS OBVIOUSLY RESPONDING TO DIFFICULTIES ENCOUNTERD IN

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WASHINGTON BY MFA SECGEN ELEKDAG IN HIS EFFORTS TO BREAK THE IMPASSE WITH THE IMF AND TO ENLIST STRONG USG SUPPORT FOR TURKISH DEMANDS ON COMMERCIAL BANKS AND INTERNATIONAL FINANCILAL INSTITUTIONS. THE WASHINGTON TALKS HAVE PROBABLY BROUGHT HOME TO ECEVIT IN PARTICULARLY URGENT FASHION THE DIMENSIONS OF TURKEY'S FINANCIAL PLIGHT AND, AS AN EXPERIENCED POLITICIAN, HE HAS QUITE NATURALLY REACTED POLITICALLY. HE HAS CHOSEN TO GO PUBLIC WITH WHAT HIS REPRESENTATIVES HAVE BEEN TELLING US IN PRIVATE IN A WAY THAT STRONGLY REINFORCES THE MESSAGE. IN THE PROCESS, HE HAS PUT THE TURKISH PUBLIC ON NOTICE THAT US-TURKISH RELATIONS HAVE ENTERED A NEW AND IMPORTANT PHASE.

3. IN A PREPARED STATEMENT (WE HAVE NOT YET SEEN AN OFFICIAL TEXT), ECEVIT BEGAN BY PUTTING THE EMBARGO FIRMLY IN THE PAST. HE NOTED THAT THE EMBARGO WOULD SOON BE "UNEQUIVOCALLY REPEALED," AND PUT THE BEST FACE POSSIBLE ON ASPECTS OF THE CONGRESSIONAL DECLARATION OF POLICY WHICH WE HAD EARLIER BEEN TOLD BY HIS GOVERNMENT WOULD BE "UNACCEPTABLE." AS A RESULT OF THE RECENT STRONG OPPOSITION PARTY CRITICISM OF THE CONGRESSIONAL ACTION, THE CONFERENCE REPORT HAS NOW ENTERED THE REALM OF PARTISAN POLITICS HERE, ECEVIT IS NOW REQUIRED TO DEFEND THE CONGRESSIONAL ACTION, INCLUDING ITS "CONDITIONAL" FEATURES, WHILE THE PUBLIC WILL UNDERSTAND THAT THE OPPOSITON IS REQUIRED TO CRITICIZE IT. THIS DEVALUES THE SIGNIFICANCE
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OF THE DEBATE SOMEWHAT THOUGH OBSERVERS OF ALL POLITICAL PERSUASIONS WILL WATCH FOR SIGNS OF CONTINUED POLITICAL LINKAGE IN FUTURE US ARMS SALES AND PROVISION OF MILITARY CREDITS.

4. ECEVIT'S DESCRIPTION OF THE POST-EMBARGO AGENDA INCLUDED NO MENTION OF THE OPENING OF US BASES. IN NEGOTIATING NEW COOPERATION WITH THE US, ECEVIT SAID TURKEY WOULD TAKE CARE THAT THE ECONOMIC AND MILITARY "DAMAGES" ALLEGEDLY INFLICTED BY THE EMBARGO MUST BE PROMPTLY REMEDIED. (THE AFP TRANSLATION OF THESE REMARKS TALKS OF "REPARATION" OF THESE DAGES, THOUGH WE WANT TO UNDERLINE THAT ECEVIT DID NOT REPEAT NOT SPEAK OF "REPARATIONS" PER SE.) IN DISCUSSING THIS NEW COOPERATION, ECEVIT SOUNDED THREE THEMES THAT HAVE RECURRED THROUGHOUT HIS PRIVATE DISCUSSIONS WITH US OVER THE PAST NINE MONTHS: (1) TURKEY EXPECTS SUBSTANTIAL AMOUNTS OF BOTH ECONOMIC AND MILITARY ASSISTANCE; (2) TURKISH-US COOPERATION CANNOT BE OF A NATURE AS TO IMPAIR THE ATMOSPHERE OF "TRUST" DEVELOPING WITH TURKEY'S NEIGHBORS (READ USSR); AND, (3) THIS COOPERATION SHOULD DEVELOP TURKISH MILITARY AND ECONOMIC SELF-SUFFICIENCY.

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5. FINALLY, ECEVIT WARNED THAT THE UNDERSTANDING
AND SUPPORT SHOWN BY TURKEY'S ALLIES IN HELPING TURKEY
OVERCOME ITS CURRENT ECONOMIC CRISIS WOULD BE THE
"MAJOR FACTOR" AFFECTING FUTURE RELATIONS WITH THOSE
COUNTRIES. IN A THINLY VEILED REFERENCE TO THE WASHINGTON
AND BONN TALKS, ECEVIT SAID "CONTACTS" WERE UNDER WAY TO ASSESS

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THE INTENTIONS OF OTHER GOVERNMENTS AND OF FINANCIAL
INSTITUTIONS IN THIS REGARD.

6. COMMENT: IN AN ANALYSIS OF ECEVIT'S FIRST HUNDRED
DAYS, THE EMBASSY POINTED OUT THAT THE NEW GOVERNMENT
FACED SEVERE PROBLEMS ON THREE FRONTS: THE
ECONOMY, INTERNAL SECURITY AND FOREIGN POLICY. HE
INHERITED A COUNTRY IN CRISIS, AND EACH ONE OF THESE
PROBLEMS WAS POTENTIALLY CAPABLE OF BRINGING DOWN HIS
POLITICAL COALITION. HE PROBABLY RECOGNIZED THAT HE
COULD NOT SOLVE ALL THREE PROBLEMS AT ONCE AND WHETHER
OUT OF PERSONAL INCLINATION OR MORE RATIONAL CALCULATION,

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HE SEEMS TO HAVE CHOSEN TO CONCENTRATE INITIALLY ON FOREIGN
POLICY. IN THIS AREA, THE LIFTING OF THE EMBARGO WAS
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THOUGHT LIKELY TO GIVE HIS GOVERNMENT A MAJOR BOOST,
AND ECEVIT MAY HAVE HOPED THAT IT MIGHT SUBSTANTIALLY
STRENGTHEN HIS ABILITY TO DEAL WITH THE MORE INTRACTABLE
ISSUES OF THE ECONOMY AND VIOLENCE. HOWEVER, THE PROCESS
OF EMBARGO LIFTING TOOK SO LONG AND THE RESULT WAS
SUFFICIENTLY CLOUDED IN TURKISH EYES THAT ECEVIT HAS NOT
REAPED THE EXPECTED BENEFITS IN TERMS OF ENHANCED
DOMESTIC POLITICAL STRENGTH FOR HIS GOVERNMENT.

7. IN THE MEANTIME, THE ECEVIT GOVERNMENT IS FACING
THE IMMEDIATE AN ECONOMIC CRISIS OF IMR RELUCTANCE NOT TO
PROVIDE THE SECOND TRANCHE DRAWING UNDER TURKEY'S STANDBY AGREEMENT.
ECEVIT APPEARS DETERMINED TO FORCE THE
OUTSIDE ECONOMIC HELP WHICH WOULD SPARE HIS GOVERNMENT
THE NECESSITY OF TAKING DRASTIC AND POLITICALLY DIFFICULT
AUSTERITY MEASURES. GOT OFFICIALS HAVE MADE ALMOST DAILY
PRONOUNCEMENTS ABOUT THE ECONOMIC SUCCESSES OF THEIR
POLICIES AND THE IMMINENCE OF FOREIGN CREITS AND
RESCHEDULING ARRANGEMENTS. NOW THEY ARE FACED WITH THE
POSSIBLE REFUSLA OF THE IMF TO RELEASE THE SECOND TRANCH
AND THE FREEZING OF RESCHEDULING AND CREDIT NEGOTIATONS WITH
THE COMMERCIAL BANKS. FOR ECEVIT, THE SITUATION REQUIRES
DESPERATE MEASURES. HIS RESPONSE--BY GOING PUBLIC SO
SHRILLY--SEEMS DESIGNED BOTH TO GET OUR ATTENTION AND
TO SET UP FOREIGNERS, ESPECIALLY THE US, AS SCAPEGOATS
SHOULD IMF TALKS FAIL. THUS, THE DECIBEL COUNT AND TALK
OF FOREIGN RESPONSIBILITY ARE LIKELY TO DECLINE SHARPLY SHOULD
ARRANGEMENTS WITH THE FUND BE WORKED OUT. (EMBASSY IS REPORTING
SEPARATELY AN INDICATION THAT MUEZZINOGLU MAY HAVE GONE TO
THE IMF WITH A CURRENCY PROPOSAL THAT HE MAY HOPE WILL BE
SUFFICIENT TO SATISFY THE FUND.)

8. UNDER THESE CIRCUMSTANCES, ECEVIT WILL RESIST US
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ARGUMENTS THAT THE REOPENING OF THE BASES CANNOT BE
LINKED TO ECONOMIC ASSISTANCE OR TO OUR ABILITY TO
PRESSURE THE IMF AND PRIVATE BANKS TO COME TO TURKEY'S
RESCUE. IT IS NOT SO MUCH A QUESTION OF TURKISH INGRATITUDE,
BUT A MEASURE OF THE POLITICAL SITUATION ECEVIT
FACES THAT HE WOULD RISK THE PRESENT OPPORTUNITY TO
CONSOLIDATE TURKISH-AMERICAN RELATIONS. WHILE

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WE RECOGNIZE THAT THERE IS A STRONG ELEMENT OF TRADITIONAL
TOUGH TURKISH BARGAINING TACTICS IN ECEVIT'S PUBLIC
CHALLENGE TO US, WE ALSO THINK IT WILL BE DIFFICULT
FOR HIM TO MOVE FORWARD QUICKLY ON MATTERS OF IMPORTANCE
TO US IN THE ABSENCE OF SOMETHING HE CAN PORTRAY AS A
RESPONSE TO HIS CALL FOR HELP.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA05935
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780336-0860
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780851/aaaabqdz.tel
Line Count: 231
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c4057061-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1703158
Secure: OPEN
Status: NATIVE
Subject: EMBASSY COMMENT ON ECEVIT PRESS CONFERENCE
TAGS: PEPR, ECON, TU, (ECEVIT, BULENT)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/c4057061-c288-dd11-92da-001cc4696bcc
Review Markings:
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Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014